

Town Administrator Update January 2011

The new year has certainly started off with a bang. We are still recuperating from the severe weather of December 26 and 27. Your town employees worked tirelessly around the clock from clearing over wash, guarding downed trees and power lines, rescuing stranded families, to fighting a major fire in several feet of icy water. Since the storm, DPW crews and the Building Department have been working long days trying to mitigate hazards, and our fire chief spent many hours compiling required reports to estimate storm damage that was due to the Massachusetts Emergency Management Agency (MEMA) on January 14. We can all be very proud of the dedication, talent and commitment staff has devoted to insuring our community was safe.

The Board of Selectmen has voted to spend up to \$500,000 to mitigate the costs of this storm damage. It is uncertain at this point if any funds will be reimbursed from MEMA or FEMA and we will not know for several months, maybe longer. The funds the Town will be spending will most likely come from our Stabilization Fund. Often, when questions are asked about the Stabilization Fund, the answer is that it is the Town's "Rainy Day Fund" in the event of a catastrophic event or emergency. The storm of last month provides us with a textbook operational definition of why the Town needs reserves and why the Stabilization Fund needs to be used only for limited purposes. Along these same lines, during difficult budget times, (and we have certainly been experiencing them the past few years), it is easy to target budget line items that provide training and education to employees. However, it is this very training that was employed during the blizzard that allowed our public safety officials to assist those in need without injury or loss of life.

Related to this, the Board of Selectmen and Advisory Committee are in the midst of town budgets reviews. Most budgets have been level-funded from Fiscal Year 11, and some of those budgets were less than they were in Fiscal Year 10. On the town side, the compliment of town staff is down 16 full-time equivalent positions from FY 08. We have not filled some positions, yet new mandates in the areas of personnel and procurement have to be addressed in order not to expose the town to liability. I am frequently asked about health insurance and pension costs and what the Town is doing to manage them. I again recommend the FAQ's on this website that detail the challenges of employee health care in the public sector. Regionalization is a key buzz word now, and we are always in touch with our neighboring communities to see if there are opportunities to share equipment or personnel. This is ongoing and will continue to be a priority.

Because of many years of "benign neglect" the Town's water infrastructure is in need of significant improvements. The annual five (5%) percent increase the Selectmen vote funds these improvements and the debt service required to pay for them over the next 20 to 30 years. Similarly, the expansion of sewer lines will result in increases for users to fund that debt as well. This is because we are now working very hard to not only budget for the current operational year we are in, but for the future as well. While this has not always been the approach in prior years, to some degree we are catching up and this is

driving cost increases in some areas. Two years ago the Transfer Station was running a significant deficit. While that budget should have been funded 100% by the users, tax dollars need to subsidize shortfalls; monies that could be used for other budget purposes. The same holds true for beach stickers. Tax dollars were subsidizing about \$70,000 of this budget, instead of the fees for beach stickers covering it. We have revised and improved the operations of both these services and the results are readily apparent to residents.

Many changes have occurred in the way we budget and plan for fixed costs increases. The first 20 pages of the town budget detailed historical costs, projected costs and emerging trends. While some will take time to see results, we have already seen a significant increase in our Free Cash over FY 10 as a result of a new budget format. The capital planning process has been entirely revamped for FY 12, and a recommended project and funding plan was submitted to Capital Planning Committee last November. While I will be posting a specific update about seawalls next week, it should be noted that seawall repair is the #1 recommended capital item for FY 12. Other initiatives the Town is pursuing, such as economic development and affordable energy, are included on the website under "FY 11 and FY 12 Financial Overview."

It benefits all town officials and staff to have residents informed about the budget and its challenges so they have accurate and factual information and can read first hand of all the efforts we are making to live within limited revenues. To that end, for the first time, the entire FY 12 Town Budget is now posted on the town website.